

OSDH Impacts of Reductions to SFY-16 General Appropriations

March 3, 2015

The Oklahoma State Department of Health (OSDH) will take the following actions to mitigate the impact of a three percent reduction (\$1,818,974), a five percent reduction (\$3,031,624) and a ten percent reduction (\$6,063,248) to the agency general appropriations.

- *Federally Qualified Health Centers (FQHCs) Uncompensated Care*
Uncompensated care funds (UCF) will be impacted in all three scenarios through a reduction of funding to qualifying FQHCs for the provision of primary care, dental and mental health services to individuals without insurance. The total amount of funding available to FQHCs in SFY 16 is \$2,552,477. The following are the impacts of these funding reductions:

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	30%	\$765,743	A reduction in funds to the FQHC Uncompensated Care Fund would reduce the amount of funding available from the OSDH to FQHCs for the reimbursement of uncompensated care costs associated with the delivery of primary health care to uninsured patients. OSDH currently has contracts with 14 FQHCs (representing 56 sites) of which 5 FQHCs regularly submit claims to the Uncompensated Care Fund (UCF). In the first six months of SFY2015, the UCF reimbursed these FQHCs for 7,406 uninsured encounters, and it is projected that by the end of the fiscal year the total uninsured encounters reimbursed will be 15,276. According to the most recent Uniform Data System (UDS) report, the 5 FQHCs that regularly claim to the UCF provided services to more than 47,000 uninsured patients in 2013. A 30% reduction to the UCF would prevent the OSDH from disbursing these funds for the reimbursement of approximately 4,583 encounters for uninsured patients.
5%	50%	\$1,261,624	A reduction in the amount of \$1,261,624 to the UFC program would prevent the OSDH from disbursing these funds for the reimbursement of approximately 7,638 encounters for uninsured patients.
10%	100%	\$2,552,477	The complete elimination of funds to the UCF will prevent OSDH from reimbursing FQHCs for approximately 15,276 uncompensated, uninsured encounters.

Note: The total UCF appropriation in SFY 2015 was \$2,552,477. These estimates are generated by dividing the average PPS rate of the claiming FQHCs (\$167.09), into the total available funding. Actual numbers of encounters will vary across FQHCs depending on service type and individual PPS rate.

- *FQHC Start-Up*
A ten percent reduction to the OSDH will result in a complete elimination of funds to the New Access Point Development Fund. This would prevent the OSDH from contracting and assisting with the expansion of FQHCs in Oklahoma communities, such as contracts for community needs assessment, strategic planning, community development, grant application development, and/or additional technical assistance regarding FQHC startup and development. Because FQHCs are safety-net primary care providers and offer a sliding fee scale for low-income uninsured patients, the reduction in funds to the FQHC Startup Fund could impact more than 270,000 low-income (below 200% of FPL) uninsured citizens in Oklahoma and the ability to reduce low income health professional shortage areas.

OSDH Impacts of Reductions to SFY-16 General Appropriations

March 3, 2015

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	0%	0	No impact to FQHC Start Up Program
5%	0%	0	No Impact to FQHC Start Up Program
10%	100%	\$319,531	OSDH has funded 21 recipients in the amount of \$759,840 for new development funding over the past five years. The following are recipients by year of awards: <u>2010</u> - Mary Mahoney, Fairfax Family Health Center, Kiamichi Family Health Center, Great Salt Plains Health Center (Medford), Stigler Health and Wellness, Variety Care, East Central Family Health Center, Community Health Center (Afton), Harmon County Health Center <u>2011</u> – Washington County, Okmulgee County <u>2012</u> – No awards <u>2013</u> – CHCI – Mary Mahoney Shawnee, Stigler Health and Wellness, Variety Care – Norman <u>2014</u> – East Oklahoma Family Health, Kiamichi Family Medical Center, Inc., Morton Comprehensive Health Services, Inc., Northeastern Oklahoma Community Health Centers, Inc., Panhandle Counseling & Health Center, Inc., Pushmataha Family Medical Center, Variety Care, Inc. Elimination of funding would impact FQHCs with new access point startup request.

Note: Demand for FQHC new start funding is largely dependent on HRSA New Access Funding Announcements and creates variability by year on program expenditures.

- Cord Blood Bank

The Oklahoma Cord Blood Bank efforts will be impacted in all three budget scenarios through the reduction or elimination of contract support in SFY16 for cord blood bank planning efforts.

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	54%	\$268,164	Reduction of the RFP for the establishment of a Cord Blood Bank would take effect July 1, 2015 which supports positions within the Oklahoma Blood Institute, Cord Blood Bank.
5%	100%	\$500,000	Elimination of the RFP for the establishment of a Cord Blood Bank would take effect July 1, 2015 which supports positions within the Oklahoma Blood Institute, Cord Blood Bank.
10%	100%	\$500,000	See impact above

- OSDH Infrastructure

Business Services will be impacted in all three scenarios with the elimination of two vacant positions which will require the redistribution of responsibilities to existing FTE. These positions are part of the management infrastructure in OSDH Business Services and their loss could weaken oversight, quality assurance and reduce work productivity.

OSDH Impacts of Reductions to SFY-16 General Appropriations

March 3, 2015

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	13.4%	\$260,000	Business Services will be impacted in all three scenarios with the elimination of two vacant positions which will require the redistribution of responsibilities to existing FTE. These positions are part of the management infrastructure in OSDH Business Services and their loss could weaken oversight, quality assurance and reduce work productivity.
5%	13.4%	\$260,000	See impact above
10%	13.4%	\$260,000	See impact above

- Newborn Hearing Screening Program

The Newborn Hearing (NBH) Screening Program will be impacted in all three scenarios and could result in an increase in the number of children delayed in receiving screenings and treatment for those with hearing loss. The NBH Screening Program allows infants with potential hearing loss to be identified as early as 5 days after birth. Prior to the program, most children with hearing loss were not identified until approximately 30 months after birth. Delayed identification and late treatment for hearing loss could result in delayed speech development, learning development and school readiness.

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	100%	\$169,067	Loss of the NBH Follow-up Coordinator will eliminate hearing screening training to birthing hospitals and local county health departments. In addition, these children would need to be referred to other locations to receive services and follow-up care increasing the risk of missed hearing deficits and timely early treatment. The anticipated number of infants impacted by delayed screenings is approximately (2,658) combined with the number of children who are referred for follow-up care (2,386) is approximately 5,044 annually.
5%	100%	\$169,067	See impact above
10%	100%	\$169,067	See impact above

- Oklahoma Child Abuse Program (OCAP)

OCAP would be impacted in all three scenarios through the elimination of contractors performing family services using the Healthy Family America (HFA) program. OCAP currently has 13 Start Right Contracts to provide home visitation services statewide. Of the 749 children who received at least one home visit from an OCAP Start Right Contractor during SFY 2014, 633 of the children (85 percent) had never been named as a potential victim of an OKDHS report. Furthermore, 723 of them (97 percent) had never been "confirmed" as a victim of child maltreatment by OKDHS. None of the Start Right children served in SFY 2014 had been named as a victim in a report to OKDHS for sexual abuse. In SFY 2014, 95 percent of the Start Right parents did not experience domestic violence in the past six months. It is noteworthy that only 15 percent of the Start Right families served in SFY 2014 had ever been reported for potential maltreatment despite all entering the program with risk factors associated with child abuse or neglect. Further, 66 percent of the women screened indicated signs of depression. 33 percent indicated the need for immediate attention by a healthcare or mental health professional.

OSDH Impacts of Reductions to SFY-16 General Appropriations

March 3, 2015

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	6%	\$150,000	Approximately 43 families would not be served and approximately 3 positions within the community non-profits would no longer be funded. In order to determine which programs would be eliminated, contractors will be rated and ranked by the number of home visits made and number of families served.
5%	25%	\$630,933	Approximately 182 families would not be served and approximately 13 positions within the community non-profits would no longer be funded. In order to determine which programs would be eliminated, contractors will be rated and ranked by the number of home visits made and number of families served.
10%	72%	\$1,842,173	A minimum of 523 families would not be served and approximately 37 positions within the community non-profits would no longer be funded. In order to determine which programs would be eliminated, contractors will be rated and ranked by the number of home visits made and number of families served.

- **Colorectal Cancer Screenings**

Colorectal cancer screenings would be impacted in all three OSDH budget reduction scenarios through either the reduction of fifty percent of available colorectal cancer screenings or total elimination of all services. This state funding supports two contracts with OUHSC and OSU-CHS to provide colonoscopies to low income men and women in Oklahoma who are 50-64 years of age or under 50 years of age and at high risk for colorectal cancer. In FY14, 287 individuals received screenings and services (which may include removal of tumors, polyps or other lesions) at an average cost of \$1,141.53 per colonoscopy. In the first half of SFY15, 108 colonoscopies have been performed. Significant lesions are defined as lesions that have abnormal pathology which if not addressed could become cancerous over time. Lesions identified in screening are either removed or the patient receives more frequent screenings in the future potentially preventing the lesions from becoming cancerous.

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	50%	\$200,000	This reduction would impact 143 clients not receiving this screening service to identify colon cancer, lesions or abnormal pathology which could result in loss of life.
5%	100%	\$500,000	This reduction would impact 287 clients not receiving this screening service to identify colon cancer, lesions or abnormal pathology which could result in loss of life.
10%	100%	\$500,000	See impact above

- **Oklahoma Athletic Commission**

The Oklahoma Athletic Commission which receives funding as part of the OSDH state appropriation would be impacted in all three scenarios and would be managed by reducing the number of trainings for Athletic Commission inspectors, reducing attendance by board commissioners to national conferences and could result in the elimination of two part time inspector positions employed to ensure compliance with Athletic Commission rules during Athletic Commission regulated events.

OSDH Impacts of Reductions to SFY-16 General Appropriations

March 3, 2015

Percent of Reduction to the OSDH	Percent of Reduction to Program	Amount of Reduction	Impact of Reduction
3%	3%	\$6,000	This reduction would impact the training for Athletic Commission inspector(s).
5%	5%	\$10,000	This reduction would impact the training for Athletic Commission inspectors and reduction of attendance by board commissioners to national conferences.
10%	10%	\$20,000	This reduction would impact the training for Athletic Commission inspectors, attendance by board commissioners to national conferences and 2-3 inspectors employed to ensure compliance with Athletic Commission rules during Athletic Commission regulated events.